

Message Text

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PAGE 01 BRASIL 00736 311606Z

72

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 FSE-00 AID-20 PER-05 CU-04 ABF-01

AGR-20 SPC-03 SAM-01 NSC-10 RSC-01 CIEP-02 TRSE-00

SS-20 STR-08 OMB-01 CEA-02 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 PA-04

PRS-01 USIA-15 DRC-01 /185 W
----- 020113

R 311530Z JAN 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 1589

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 0736

E.O. 11652: N/A

TAGS: EFIN, BR

SUBJECT: CRUZEIRO DEVALUATION

REF:BRASILIA 8505

1. CONTINUING ITS POLICY OF FREQUENT BUT MINI-DEVALUATIONS, BRAZIL'S CENTRAL BANK ANNOUNCED EFFECTIVE JANUARY 31, 1.94 PERCENT DEVALUATION OF CRUZEIRO AGAINST U.S. DOLLAR. NEW RATES ARE 6.3 FOR BUYING AND 6.34 FOR SELLING DOLLARS. THIS IS THE FIRST DEVALUATION OF 1974 AND IT COMES 48 DAYS AFTER THE LAST DEVALUATION (WHICH WAS FOR 9.98 PERCENT).

2. SINCE CRUZEIRO IS TIED TO U.S. DOLLAR (I.E., QUOTED IN DOLLARS), LATEST MOVE EXPECTED IN LIGHT OF RECENT DOLLAR APPRECIATION. EXPORTERS HAD BECOME CONCERNED WITH THE RECENT INCREASE IN THE PRICE OF THE DOLLAR AND BELIEVED THAT AN ADJUSTMENT IN THE CRUZEIRO/DOLLAR RATE WAS ESSENTIAL TO PREVENT APPRECIATION OF DOLLAR FROM HAVING ADVERSE IMPACT ON BRAZILIAN EXPORTS.

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PAGE 02 BRASIL 00736 311606Z

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE RATES, DEVALUATIONS, CRUZEIRO
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRASIL00736
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974013/aaaaacom.tel
Line Count: 61
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: RASILIA 8505
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 25 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 APR 2002 by daviscw>; APPROVED <26 NOV 2002 by WorrelSW>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CRUZEIRO DEVALUATION
TAGS: EFIN, BR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005